



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Electric Rate Schedule G1, General Service - Group 1 Commercial/Industrial and Electric Rate Schedule G2, General Service - Group 2 Commercial/Industrial

MEETING DATE: October 2, 1996

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council, by ordinance, approve attached:
1) Electric Rate Schedule G1 General Service - Group 1 Commercial/Industrial
2) Electric Rate Schedule G2 General Service - Group 2 Commercial/Industrial

BACKGROUND: Four discounts to the above electric rate schedules are recommended: 1) Cherokee Lane Economic Incentive; 2) Commercial Development Incentive; 3) Community Benefits Incentive; and 4) Core Area Economic Incentive. Customers are not eligible for more than one type of discount on any one account.

Cherokee Lane Economic Incentive and Core Area Economic Incentive Discounts. In accordance with the Lodi Downtown Revitalization Plan's intention to encourage the growth of business in certain areas of Cherokee Lane and the City's core areas, the above schedules have been amended. Twenty and forty percent discounts, respectively, are recommended for these areas for qualifying customers. Accounts established on or after January 1, 1995 are eligible for discounts beginning July 1, 1996. These discounts gradually decrease over time and disappear altogether after June 30, 2000. These discounts can be retroactive back to July 1, 1996. Should a customer who initially qualifies for either discount subsequently qualify for a time-of-use rate, an individual contract will be developed to capture the benefits of these discounts.

When calculating the fiscal impact of these incentive rates, the Electric Utility Department staff compared revenues under existing rates to revenues under the proposed rates. The fiscal impact on the City of Lodi is estimated to be less than \$50,000 per year for FY 1996-97 and FY 1997-98. It is also expected that this discount will encourage business growth and that net revenues to the City will increase over time.

Commercial Development Incentive Discount

The intent of this discount is to encourage City-wide economic development of small and medium-sized commercial/industrial businesses while still emphasizing the core and Cherokee Lane areas. Accordingly, this discount is capped at 10%. This discount can be retroactive back to July 1, 1996. As for the above Cherokee Lane Economic Incentive and Core Area Economic Incentive Discounts, the fiscal impact on the City of Lodi is estimated to be less than \$50,000 per year for FY 1996-97 and FY 1997-98. It is also expected that this discount will encourage business growth and that net revenues to the City will increase over time.

APPROVED


H. Dixon Flynn
CITY MANAGER

September 25, 1996

Community Benefits Incentive Discount

The purpose of this discount is to encourage development and continued operation of organizations providing a wide spectrum of direct benefits to the community. To be eligible, an organization must be non-profit and have been allocated federal Community Development Block Grant Funds within the past two years. This discount is a level 30% beginning July 1, 1996. Unlike the above discounts, the impact of this discount does not become fiscally neutral or positive in time; however, due to the limited number of eligible organizations and the amount of electric power utilized, it is anticipated that any fiscal impact on the Electric Utility Department will be minimal and can be accommodated within the increased electric sales revenue received this summer. This discount can be retroactive back to July 1, 1996.

FUNDING: These rate schedules are subject to rebate. It is therefore recommended that the fiscal impact for FY 1996-97 be funded from the Electric Utility Fund 16.0 reserves.



Alan N. Vallow
Electric Utility Director

Prepared by Jack Stone, Manager Rates and Resources

ANV/JS/pn

ORDINANCE NO. 1641

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
AMENDING CHAPTER 13.20 OF THE LODI MUNICIPAL CODE BY
REPEALING AND REENACTING SECTIONS 13.20.240 AND
13.20.250, RELATING TO ELECTRIC SERVICE - RATES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. Chapter 13.20 - Electrical Service - is hereby amended by repealing and reenacting Section 13.20.240, relating to Group 1 commercial/industrial rates by attaching new Exhibit F:

Section 13.20.240 - Schedule G1 - General Service - Group 1 Commercial/Industrial.:

For Group 1 commercial/industrial rates, see the schedule attached to the ordinance codified in this chapter, marked Exhibit F and made a part hereof as if set out in full.

SECTION 2. Chapter 13.20 - Electrical Service - is hereby amended by repealing and reenacting Section 13.20.250, relating to Group 2 Commercial/Industrial rates by attaching new Exhibit G.

Section 13.20.250 - Schedule G2 - General Service - Group 2 Commercial/Industrial.:

For Group 2 commercial/industrial rates, see the schedule attached to the ordinance codified in this chapter, marked Exhibit G and made a part hereof as if set out in full.

SECTION 3 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 4 - Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 6. This ordinance shall be published one time in the "Lodi News Sentinel", a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect thirty days from and after its passage and approval.

Approved this ____ day of _____, 1996

DAVID P. WARNER
Mayor

Attest:

JENNIFER M. PERRIN
City Clerk

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State of California
County of San Joaquin, ss.

I, Jennifer M. Perrin, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1641 was introduced at a regular meeting of the City Council of the City of Lodi held October 2, 1996 and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 1996 by the following vote:

Ayes: Council Members -

Noes; Council Members -

Absent: Council Members -

Abstain: Council Members -

I further certify that Ordinance No. 1641 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. PERRIN
City Clerk

Approved as to Form:



RANDALL A. HAYS
City Attorney



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

Schedule G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

APPLICABILITY

This schedule is applicable to customers with single-phase or three-phase service, or to a combination thereof, whose energy consumption does not exceed 8,000 kilowatt-hours (kwh) per billing cycle for three consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have usage below 8,000 kwh per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes.

If energy consumption equals or exceeds 8,000 kwh for 3 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule. If the demand reaches or exceeds 400 kw for 3 consecutive billing cycles, the account will be transferred to the appropriate rate schedule.

RATES:

Customer Charge: (per meter per billing cycle)

Single-Phase Service	\$6.00
Three-Phase or Combination Service	7.25

Energy Charge: (per kwh)

Summer (May through October)12848
Winter (November through April)10544

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kwh) for which the bill is rendered times the adjustment amount per kwh. The adjustment amount per kwh will be calculated to reflect amounts charged the City various suppliers of bulk power not covered in the above rates.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

Schedule G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

(continued)

CHEROKEE LANE ECONOMIC INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the Cherokee Lane portion of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	20%
July 1, 1997 - June 30, 1998	15%
July 1, 1998 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMERCIAL DEVELOPMENT INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the City of Lodi on or after January 1, 1995, are eligible for the following discount on Energy and Demand charges:

July 1, 1996 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMUNITY BENEFITS INCENTIVE DISCOUNT:

G1-Non-profit (as defined in Federal Internal Revenue 501 (c) (3)) Industrial/Commercial customers who are currently receiving Federal Community Development Block Grant funds or have received such funds not more than two years before preparation of the current billing cycle charge are eligible for the following discount on Energy and Demand charges:

July 1, 1996 and after	30%
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It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

Schedule G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL (continued)

This discount may not be used in conjunction with any other incentive discount.

CORE AREA ECONOMIC INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the Core Area of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	40%
July 1, 1997 - June 30, 1998	30%
July 1, 1998 - June 30, 1999	20%
July 1, 1999 - June 30, 2000	10%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the sum of the Customer Charge, the Energy Charge and the PPCA.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

Schedule G2

GENERAL SERVICE - GROUP 2 COMMERCIAL/INDUSTRIAL

APPLICABILITY:

This schedule will be applied to accounts with energy consumption in excess of 8,000 kilowatt-hours (kwh) for 3 consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Billing Demand: The billing demand in any billing cycle will be the maximum average power taken during any metering interval in the period, but not less than the diversified resistance welder load. (The customary metering interval is 15 minutes; in cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.)

Assignment to Schedule: If, in the judgement of the City, an account is expected to have usage over 8,000 kwh per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such changes.

If energy consumption drops below 8,000 kwh and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate schedule. If the billing demand reaches or exceeds 400 kw for 3 consecutive billing cycles, the account will be transferred to the appropriate rate schedule as soon as practicable.

RATES:

Customer Charge (per meter per billing cycle)	\$55.00
Demand Charge:	
All kw of billing demand, per kw	3.80
Energy Charge: (per kwh)	
Summer (May through October)08719
Winter (November through April)06830



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

Schedule G2

GENERAL SERVICE - GROUP 2 COMMERCIAL/INDUSTRIAL

(continued)

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kwh) for which the bill is rendered times the adjustment amount per kwh. The adjustment amount per kwh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

VOLTAGE DISCOUNT:

When delivery is made at the same primary distribution voltage as that of the line from which the service is supplied, a 4% discount will be allowed on the sum of the Demand Charge and the Energy Charge.

CHEROKEE LANE ECONOMIC INCENTIVE DISCOUNT:

G2-Commercial/Industrial customers establishing accounts in the Cherokee Lane portion of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	20%
July 1, 1997 - June 30, 1998	15%
July 1, 1998 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMERCIAL DEVELOPMENT INCENTIVE DISCOUNT:

G2-Commercial/Industrial customers establishing accounts in the City of Lodi on or after January 1, 1995, are eligible for the following discount on Energy and Demand Charges:

July 1, 1996 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

Schedule G2

GENERAL SERVICE - GROUP 2 COMMERCIAL/INDUSTRIAL

(continued)

COMMUNITY BENEFITS INCENTIVE DISCOUNT:

G2-Non-profit (as defined in Federal Internal Revenue 501 (c) (3)) Industrial/Commercial customers who are currently receiving Federal Community Development Block Grant funds or have received such funds not more than two years before preparation of the current billing cycle charge are eligible for the following discount on Energy and Demand charges:

July 1, 1996 and after 30%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

CORE AREA ECONOMIC INCENTIVE DISCOUNT:

Commercial/Industrial customers establishing accounts in the Core Area of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997 40%
July 1, 1997 - June 30, 1998 30%
July 1, 1998 - June 30, 1999 20%
July 1, 1999 - June 30, 2000 10%
After June 30, 2000 0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the sum of the Customer Charge, the Demand Charge, the Energy Charge, the PPCA and the voltage discount, if applicable.